

Vitosha Research / Sociological Program

2000 Highlights

- In 2000 Vitosha Research conducted 45 social, economic, marketing, media and public opinion projects. Work on these projects included conducting quantitative and qualitative surveys: about 19 000 face-to-face interviews, 150 in depth interviews and 30 focus groups.
- The collected information has been summarized in about 40 analytical reports, policy papers and newspaper publications.
- For a third successive year Vitosha Research conducted the Global Competitiveness Survey in cooperation with the Center for Economic Development and the World Economic Forum at Davos. Based on the survey results and officially published statistical information, Bulgaria was included for the first time in the official annual report of the World Economic Forum "Global Competitiveness Report 1999".
- In a consortium with other agencies from Central and Eastern Europe coordinated by Gallup–Hungary, Vitosha Research won a European Commission grant competition for the Eurobarometer survey and started its implementation.
- The first phase of Southeast European Legal Development Initiative (SELDI) included the development and implementation of a Regional Corruption Monitoring System (RCMS) to assess the level and scope of corruption in the region (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Romania and Yugoslavia). RCMS is based on the *Coalition 2000* monitoring methodology. Corruption monitoring training workshop was held in December 2000.
- In December 2000, Vitosha Research and Gallup–Hungary organized a conference "Crime Victims in Transition Countries" focused on the results from international crime victimization surveys of population and business persons in Central and Eastern Europe.

I. Economic Research

The main topics of the economic research projects were the competitiveness of the Bulgarian economy, corporate governance and company performance, problems of small and medium enterprises (SME), innovation and foreign investments in Bulgarian enterprises. Vitosha Research (VR) conducted about 1500 face-to-face interviews and 5 focus groups with ministry and state agency officials, financial institutions, SME,

trade organizations. United Nations Development Programme (UNDP), Freedom House, National Agency for Small and Medium Enterprises and the Center for Economic Development commissioned most of the economic research projects conducted by VR in this field. Throughout the year Vitosha Research also participated in the preparation of three sections of the monthly Early Warning Report for Bulgaria.

2. Global Competitiveness Survey

The survey is part of the efforts of the World Economic Forum at Davos to track developments in the world economy and was carried out jointly by Vitosha Research and the Center for Economic Development. The study was based on interviews with company managers of Bulgarian and foreign companies and provided information on the status of the business climate in the country and the level of competitiveness of the Bulgarian economy. A total of 162 interviews with senior managers from 143 Bulgarian companies (private and state owned) and 19 foreign companies were conducted. On the basis of survey results and official statistical information Bulgaria was included in the "Global Competitiveness Report 1999" of the World Economic Forum and in the report for the year 2000.

3. Small and Medium Enterprises Survey

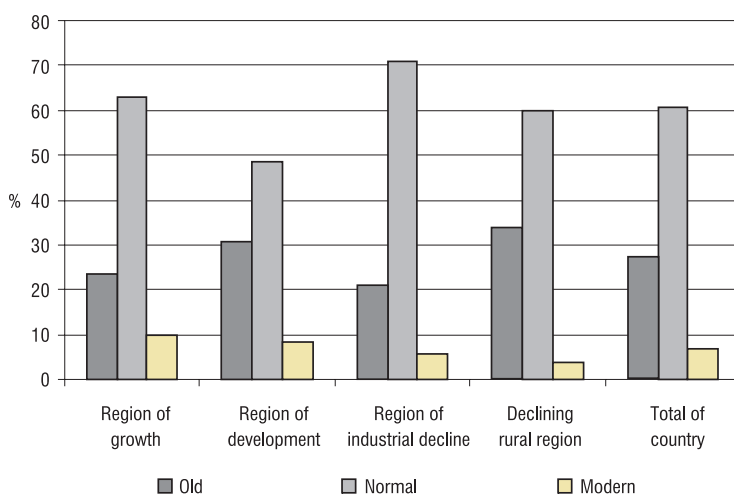
This PHARE supported project was conducted for the National Agency for Small and Medium Enterprises, in

cooperation with the Foundation for Entrepreneurship Development. Vitosha Research carried out a survey of SMEs in four regions of the country (Montana, Haskovo, Rouse and Pernik). The information obtained was used to assist executive bodies and non-governmental organizations in setting forth their policies for small and medium-sized enterprises sector promotion and for the restructuring of the national economy. Survey data was used to prepare the publication "Report on the Small and Medium-Sized Enterprises in Bulgaria.

4. Early Warning System in Bulgaria

Work was carried out by a group of analysts from the Department of International Relations Association, the Center for the Study of Democracy, BBSS, and Club Ekonomika 2000 and is coordinated by the UNDP. The Early Warning Systems explores the possibility of anticipating and responding to crisis situations before they become too violent or when their effects cannot be controlled.

Equipment and Production Technologies of Enterprises



Sample size $N = 665$

Source: Small and Medium Enterprises Survey

Work included the publication of a monthly Early Warning Report analyzing the dynamics of the overall economic, social, political, religious and ethnic environment in Bulgaria. Interest in the project has increased. The report was made available on the Internet; currently UNDP is considering the launch of a regional Early Warning Report for Southeast Europe.

5. Foreign Direct Investments in the Balkan Countries: Alternatives to Reduce Existing Barriers

Applied Research and Communications Fund (ARC Fund) in cooperation with Vitosha Research have carried out this project supported by Freedom House. It is currently being implemented in Albania, Bulgaria and Macedonia and is aimed at:

- Evaluation of the overall environment for foreign direct investments (FDI) in Albania, Macedonia and Bulgaria regarding barriers associated with weak and incomplete legislation, tax barriers, corruption, competition and anticompetitive policies, etc.
- Analysis and comparison of the legal and institutional framework for FDI in these countries.
- Analysis of the privatization policies implemented so far in the respective countries as a key prerequisite of FDI inflow.
- Analysis of the financial system (banking and capital markets) and its role for fostering the FDI inflow.

Survey data will be used to design appropriate recommendations for the reduction of tariff and non-tariff barriers to FDI and to increase the public awareness of the positive effects of FDI.

II. Social and Educational Surveys

The social research projects included 4

quantitative and qualitative studies. Fieldwork consisted in conducting over 2 900 face-to-face interviews, 60 in-depth interviews and 8 focus groups. The social and educational research projects of Vitosha Research were commissioned by the UNDP, Regional Initiatives Fund, International Development Law Institute, Rome and the East-West Management Institute, Washington.

1. Infrastructure Micro-projects' Beneficiary Assessment

Vitosha Research carried out the "ex post" survey of the implementation phase of the Regional Initiative Fund (RIF) infrastructure projects. The main objective of the study was to explore beneficiary assessments of the results of the micro-projects implemented by the Regional Initiatives Fund and to compare them with the initial project effect expectations. A combination of quantitative and qualitative methods was used. The main target groups of respondents in the quantitative survey were local community members who benefited from the project results. Qualitative methods were also used to obtain information from other sources such as local authorities, RIF staff and local media.

The results of the assessment showed that all micro projects financed by the RIF were evaluated as relevant to the specific local conditions. In the majority of communities both the ex-ante survey (Beneficiary Expectations and Assessment of the Results of the Micro projects Implemented by RIF) and the ex-post quantitative survey confirmed the initially anticipated match between the priority infrastructure problem of the community and the project implemented. The information collected showed that the choice of project was highly consistent with the most pressing problems and needs of the community residents. The overall evaluation of the projects by

local government representatives was very high. The ex-post survey showed that the results are evaluated very favorably mainly because of the positive impact on community development and the improved infrastructure.

2. Human Security in Bulgaria (1997-2000)

This project focused on the analysis of different elements of human security in Bulgaria and was a follow up on the 1997 Vitosha Research survey "Human Security in Bulgaria 1997". In September 2000 a new national survey was carried out to collect comparative information about the level of satisfaction and the future expectations of public regarding economic, social, environmental, personal and political security.

3. Judicial Survey

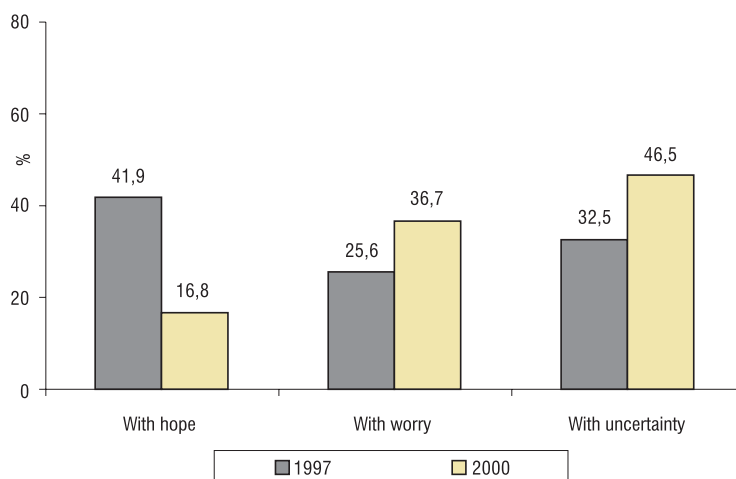
Vitosha Research in cooperation with the International Development and Law

Institute (IDLI), Rome, Italy conducted a needs assessment judicial survey. This was one of the first surveys conducted in the country focused on the judicial system. The study aimed at exploring the possibilities for improving magistrates' education and streamlining court administration procedures. The survey included a series of focus-group discussions with Bulgarian judges. The group discussions were held in Sofia, Veliko Tarnovo and Bourgas. A quantitative survey was carried out among 500 judges nationwide.

The information collected on the training needs of the Bulgarian judges and judicial staff was related to the areas of substance, procedure and court administration. A curriculum based on the conducted needs assessment was developed. The survey also provided baseline data for periodic comparative analysis which could be used to determine the extent of changes that have occurred.

Future Expectations of Bulgarians

(How do you view the coming 12 months: with hope, with worry or with uncertainty?)



Sample size $N = 1133$

Source: Human Security Survey

III. Crime and Corruption Surveys

1. International Crime Victimization Survey

This survey was a part of an international project of the United Nations Interregional Crime and Justice Research Institute (UNICRI) and was coordinated by Gallup-Hungary. It was conducted in the capitals of Albania, Bulgaria, Belarus, Ukraine, Russia, Romania, Hungary and Lithuania. UNICRI's extended research project consisted of: (1) International Crime Victim Survey, based on public opinion polls, and (2) International Crime Business Survey, based on interviews with business persons. This initiative made it possible to analyze victimization by comparing two overlapping periods, 1993-97 and 1996-2000.

Looking at the business environment is a new experience, which reveals the specific features of transition to a market economy amid high victimization. Better knowledge of victimization in the economy paves the way for a natural transition to a study of victimization caused by national and transnational organized crime.

The results of the survey show that victimization by conventional offences has slightly dropped from the period 1993-97. The drop is due to the political and financial stabilization resulting from the introduction of a currency board on July 1, 1997. The survey among business persons showed that crime and corruption pose a real threat to the economy in general and smaller businesses in particular.

Spread of Corruption Practices

(Do you think that there is a lot of corruption involved in: ...)

	Yes	No
Obtaining business license and permits	75,0%	14,8%
Clearing goods with customs	72,1%	4,8%
Sanitary regulations	62,0%	24,8%
Procurement of goods and services from government	57,9%	8,2%
Authorizations from municipalities and district councils	57,4%	24,7%
Obtaining a vehicle fitness certificate	51,8%	26,7%
Procurement of goods and services for private companies	43,2%	28,8%
State investments	38,9%	20,8%
Public procurements	37,9%	26,2%
Arbitration/litigation	24,1%	32,9%
Environmental regulations and compliance	20,5%	44,3%
Work safety regulations	20,4%	53,7%
Residence and work permits	14,0%	50,2%

Sample size $N = 520$

Source: International Crime Victimization Survey of Businessmen

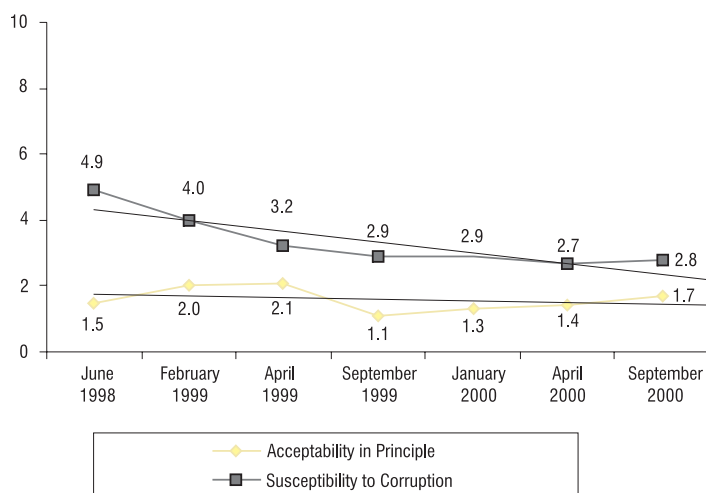
2. The Corruption Monitoring System of Coalition 2000

Vitoshka Research was extensively engaged in conducting the surveys of the Corruption Monitoring System (CMS) of *Coalition 2000*. The CMS includes a comprehensive set of qualitative and quantitative techniques aiming at different target groups (general public, businesspeople, public officials, professionals, etc.). In 2000 a total of 5 quantitative surveys of population and business elite were conducted. The major tasks of the CMS itself were the publication of the Corruption Indexes of *Coalition 2000* and the Corruption Assessment Report. Corruption indexes summarized the most important corruption indicator variables to evaluate/measure the level of proliferation of corrupt practices in different spheres of society. They included measures of the tolerance of various corrupt practices, susceptibility to corruption, corruption pressure, levels of practical involvement in corruption, spread of corruption among institutions and

socio-professional groups, etc. The Corruption Indexes of *Coalition 2000* were published four times in 2000.

The results of the CMS showed that in terms of values and principles, public opinion essentially remained negative to corruption but at the year end of 2000, a certain public desensitization to the manifestations of corruption were detected. Public opinion perceives corruption as a widespread phenomenon in Bulgarian society and fairly consistently qualifies the sectors of customs, police, ministries, the tax administration, the court system (including judges, lawyers, court officials, prosecutors) as corrupt. The stability of corrupt behavior suggests that the capacity of Bulgarian society to cope with the problem of corruption depends not only on a change in mass attitudes to this phenomenon, but also on the emergence of new social practices. There is a need for essentially new regulatory mechanisms that should be both morally acceptable and practically effective.

Tolerance of Corrupt Practices and Susceptibility to Corruption



Sample size $N = 1100 - 1200$
Source: CMS of *Coalition 2000*

3. Post-Conflict Stability and Development in Southeast Europe: Implementing a Corruption Monitoring System

The main objective of this project supported by the MacArthur Foundation and conducted in Bulgaria, Macedonia and Albania was to further develop an anticorruption network in the region, to facilitate the exchange of information on anticorruption in Southeast Europe, to encourage cooperation among public and the private and non-governmental sectors and to promote regional cooperation and implementation of anticorruption programs.

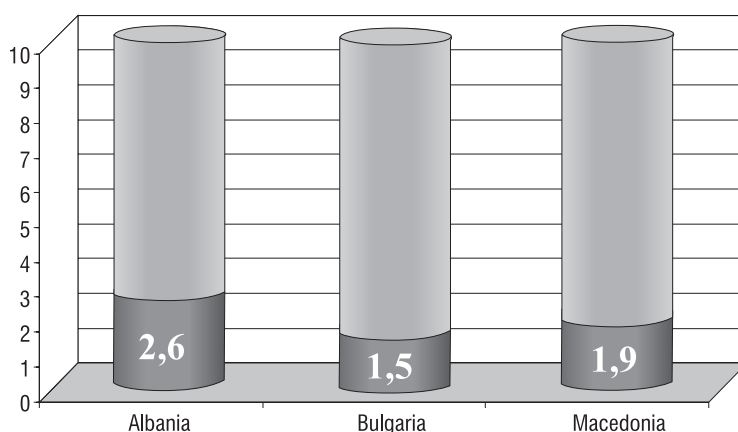
Vitosha Research conducted the research in cooperation with the Albanian Center for Economic Research (Albania) and Forum–Center for Strategic Research and Documentation

(Macedonia). The survey instrument employed was based on a Corruption Monitoring System of *Coalition 2000* and was an initial step towards implementation of a Regional Corruption Monitoring System.

The results showed that corruption is generally perceived as a morally inadmissible phenomenon. Public opinion in Albania, Bulgaria, and Macedonia is intolerant towards corrupt practices. Nevertheless, while in Bulgaria and Albania corruption is a central element of the public debate, in Macedonia discussions have still not been initiated seriously. As a whole citizens declare their willingness for personal non-involvement in such practices, despite the pressure of the circumstances. Although some minor differences, the spread of corruption in the three countries however is estimated as very high.

The empirical data show that the exerted pressure on citizens by public officials is strongest in Albania, where the index value is the highest. On the contrary, in Bulgaria and Macedonia the role of this factor for the formation of corrupt behavior is less important.

Corruption Pressure



Sample size $N = 1002$ (Albania) $N = 1007$ (Macedonia)

Source: Survey "Post-Conflict stability and Development in Southeast Europe: Implementing a Corruption Monitoring System"

4. Regional Corruption Monitoring System

The Southeast European Legal Development Initiative (SELDI) was launched in late 1998 as an effort of leading not-for-profit organizations aimed at public-private coalition building for legal development in the transition countries of Southeast Europe. A network of organizations has been established within SELDI to monitor the level and scope of corruption in the region based on the implementation of the *Coalition 2000* monitoring methodology regionally. Surveys in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Romania and Yugoslavia were conducted.

Project partners produce a Corruption Monitoring Report for the region in 2001. The Report includes the Corruption Indexes (CI) present comparable overall measures of:

- Intensity of involvement in corrupt behavior
- Public tolerance towards corrupt practices
- Levels of proliferation of corrupt practices in different segments of society
- Major forms of corruption
- Effectiveness of the efforts to combat corruption.

IV. IT Projects

IT penetration and information society development in Bulgaria have gradually evolved as priority areas for Vitosha Research. In this respect the projects conducted for UNDP and MTC made it possible to collect valuable baseline data and to produce initial analyses.

1. Conditions, Trends and Problems of the Development of the Bulgarian Information Society's Technologies and Services

The main objective of the study commissioned by MTC was to analyze the condition and the development of the information society in the country on the basis of international indicators (ESIS, ITU, UNESCO). The more specific aims of the project were to collect information about:

- the condition and the tendencies of the development of the information society;
- the level of public awareness of Bulgarian information society development;
- IT industry (condition of the market, supply and demand of services, etc.);
- public and private institutions in the information society area; initiatives and projects;
- the main problems of the development of information society;
- legal basis of the information society;

A report "Conditions, Trends and Problems of the Development of the Bulgarian Information Society's Technologies and Services" was prepared. It analyzed the current level of the IT society in Bulgaria and recommended on the future development.

2. Feasibility Study on the Establishment of Technological Chitalishte

The overall objective of the UNDP commissioned feasibility study was to assess the potential of the "Chitalishte" (local cultural center) to become an Internet center or an Internet provider (technological Chitalishte). A Feasibility

Study was carried out at national and local level. Two research methods were used in carrying out this Study - desk-top research and a qualitative survey (in depth and group interviews).

The study helped assess the problems and possible strategies for the development of "technological chitalishta" in small towns. It outlined the status and trends of the Internet market in Bulgaria and showed that in the current context of the Bulgarian IT market, a niche for the development of technological "chitalishta" exists in small towns. Based on the collected information several strategies for the development of the "Technological Chitalishte" have been proposed to the UNDP.

3. Internet Services in Bulgaria

IT development was tracked on a regular basis in the quarterly VR omnibus surveys. The main objective of IT monitoring was to track the evolution of information society in the country and to accumulate trend information that would make possible a future in-depth analysis of these issues.

The basic subject areas included in the quarterly monitoring are:

- Access to computers;
- Access to Internet;
- Development of Internet services in Bulgaria;
- Use of e-mail, chat and etc.

V. Public Opinion Surveys

A total of four public opinion research projects were carried out in 2000. The basic topics covered were: public opinion about politics and economy, NATO and the European Union, opinions on the Government accountability. The projects were commissioned by the Office of Research, US Department of State; Gallup-Hungary, Romanian Academic Society, and the Romanian Center for Public Policy.

1. Eurobarometer

Jointly with other agencies from Central and Eastern Europe Vitosha Research won a European Commission grant competition and started the implementation of an international survey entitled Eurobarometer and

Internet Usage in Bulgaria (%)

	<i>April 2000</i>	<i>September 2000</i>
Several times a day	0,4	0,9
At least once a day	1,0	1,4
At least once a week	2,2	1,6
At least once a month	0,9	0,8
Less often	1,0	2,1
Total:	5,5	6,8

Sample size $N = 1100 - 1200$

Source: Survey "Internet services in Bulgaria"

coordinated by Gallup–Hungary. It is being carried out in 13 applicant countries for EU membership. The first poll was conducted in January 2000. Its purpose was to collect information about the general attitudes of the Bulgarian public towards the EU, as well as public opinion and assessments of the process of European integration in Bulgaria.

2. Accountable Government in the East-Central Europe: Self and Public Perception

Vitosha Research participated in an international research project entitled *“Accountable Government: Self and Public Perception”*, supported by Freedom House. Activities under this initiative included conducting of national representative surveys and interviews with MPs in Bulgaria, Romania and Slovakia. The objective of the project was to assess the level of transparency, accountability, and responsibility of the public administration in the three countries as well as to explore the associated social expectations and perceptions. Another objective was to establish a regional database on the institutional culture of central governance and the Parliament in East European countries. Survey results were presented in the publication *“Government Accountability in East Central Europe”*.

3. Developing Community and Corporate Philanthropy in Bulgaria: from Strategic Partnerships to Sustainability

The Urban Institute, Washington jointly with Vitosha Research conducted an assessment of community philanthropy development in selected municipalities in Bulgaria. In this USAID/Bulgaria commissioned project Vitosha Research conducted survey in six municipalities – Bourgas, Blagoevgrad, Gabrovo, Sevlievo, Smolyan and Chepelare,

which included:

- Desk research to inform the profiles of the community as a whole and the three stakeholder sectors (local government, the NGO community, and the business community).
- Quantitative survey in four municipality;
- In depth interviews with leaders of the three sectors and representatives of the existing funds;
- Focus group discussions.

Based on the research, a program to promote corporate and community philanthropy will be designed. The objective is to introduce models of community philanthropy and strategic partnership among businesses, local governments and NGOs, and to establish sustainable institutions, such as community funds, and to ensure NGO sustainability in the long run. The project *“Developing Community and Corporate Philanthropy in Bulgaria: From Strategic Partnerships to Sustainability”* provided recommendations on the issues of developing corporate and community philanthropy, including some observations on priorities for strengthening the overall enabling environment and specific recommendations for structuring viable initiatives under existing law.

VI. Media Research

In the year 2000 media research focused on foreign radio station programming evaluation. A total of two quantitative, one qualitative and radio monitoring projects were conducted. They included focus groups, face-to-face interviews and desk research. The media research projects have been commissioned by InterMedia Survey Institute. The main objectives of the media surveys were:

- Evaluation and trust in mass media by the Bulgarian population;

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- Opinions and attitudes about international and domestic TV and radio channels;
- Role, image and relevance of international and domestic radio broadcasters in Bulgaria;
- Opinions and attitudes of Bulgarian listeners towards the programs of the RFE, DW, BBC and VOA;

“Accountable Government: Self and Public Perception”: Key Findings

The survey showed that there is a considerable divergence between the attitudes of the Bulgarian public and the MPs on certain key aspects of governance.

1. Level of satisfaction with governance in Bulgaria

More than half of the MPs are satisfied with the performance of the present government but barely 15% of the public shares a similar view. Nearly 80% of Bulgarian citizens are disappointed with the manner in which the country is governed.

2. Effectiveness of the institutions of the legislative, judiciary, and executive, and the related social and professional groups

In the opinion of Bulgarian citizens, most state institutions do not function effectively enough. The performance of MPs compared to other professional groups is characterized by low effectiveness. MPs assess the effectiveness of the executive and legislative powers as high and the effectiveness of their own activity as very high.

3. Evaluations of the activity of Bulgarian Governments in different historical periods.

According to 44% of the MPs, Bulgaria was governed best between the two world wars. The majority of the citizens however believe the country was governed best in the 1960-70s and the 1980s.

4. Political self-identification.

More than half of the citizens are unable to define their political affiliation; among those who can the leftist political orientation prevails. About 90% of the MPs define their political position as right-wing.

5. Distribution of egalitarian and liberal core values.

Among Bulgarian citizens, egalitarian values predominate over liberal values. The opinion of MPs is radically different – for nearly 90% of them personal freedom is more important than equality between the people.

Sample size N = 1161 (general public) N = 163 (MPs)

Source: Survey “Accountable Government: Self and Public Perception”

VII. Marketing Research

Vitosha Research has conducted five quantitative and qualitative market surveys in 2000. The basic topics of marketing research projects were:

- Non-carbonated soft drinks market in Bulgaria;
- Blind Test of several new non-carbonated soft drinks;
- Alcoholic drinks consumption and brand tracking survey;
- Evaluation of advertising designs.

VIII. Publications

Research findings have been widely disseminated in the press. More than 30 newspaper articles have been published in the papers with national distribution. The following analytic reports and policy papers were also prepared in 2000:

- Conditions, Trends and Problems of the Development of the Bulgarian Information Society's Technologies and Services, November 2000;
- Accountable Government in Central and Eastern Europe: Public and Self-Perception, October 2000;
- Feasibility Study on the Establishment of Technological Chitalishte, July 2000;
- Small and Medium-Sized Enterprises and Competitiveness, focus groups analysis, July 2000;
- Tax Policy and Economic Growth, focus groups analysis, July 2000;
- Beneficiary Assessment of the Results of the Microprojects Implemented by the Regional Initiatives Fund, June 2000;

- Assessment of the Training Needs of Bulgarian Judges, May 2000.

IX. Conference and Seminars

Vitosha Research staff members participated in several international and national conferences and seminars:

- International Crime Victimization, December, 2000, Sofia, Bulgaria;
- The Future of the Chitalishta in Bulgaria, October 2000, Bulgaria;
- Accountable Government in the East-Central Europe: Self and Public Perception, September 2000, Romania
- Business Views on Corporate Governance: Building New Structures in Emerging Markets, September 2000, Bulgaria;
- Foreseeing the Future of SEE One Year After the Stability Pact - A Policy Outlook from the Region, June, 2000, Macedonia;
- Southeast Europe E-Commerce Forum, June 2000, Bulgaria;
- Workshop about National Integrity of Transparency International, Moscow, May 2000;
- Strategies against Corruption in the Process of Transformation toward Market Economy, Friedrich Naumann Foundation, March 2000, Bulgaria;
- Consultations for Anticorruption Problems and Regional Partnership, March 2000, Vienna, Austria;
- Southeast Europe Anticorruption Forum, February 2000, Bulgaria
- Anticorruption in Bulgaria: *Coalition 2000* Process and Results, January 2000, Vienna, Austria.